

HM Treasury

J S Beastall
Under Secretary



Parliament Street
London
SW1P 3AG

DAO (R)1/92

GA Chapter 6

10 January 1992

Dear Accounting Officer

THE PAC AND MATTERS OF POLICY

I attach a note on the extent to which Accounting Officers should respond to questions by the Public Accounts Committee on matters of policy. The note responds to some concern expressed by the PAC that there had been an increasing tendency on the part of Accounting Officers to decline to explain the reasons for policy decisions on grounds that Ministers were responsible. The note has been agreed with the National Audit Office.

2. All Accounting Officers (ie Heads of Department, additional Accounting Officers and Agency Chief Executives) will wish to bear the terms of this note in mind when appearing at the PAC. Accounting Officers are of course only required to provide information to the PAC on matters for which they are themselves accountable.
3. Departments should pass on the note to the senior full time officials of sponsored non-departmental bodies in cases where the department considers the officials concerned may find it helpful, whether or not they are formally designated Accounting Officers.

Enquiries

4. Any enquiries about this letter should be addressed to Ian Thomson, Second Treasury Officer of Accounts, telephone 071-270-4304 (GTN 270-4304).

Distribution

5. This letter is being sent to Accounting Officers for Votes and Trading Funds, Agency Accounting Officers and departmental Principal Finance Officers.

Yours sincerely

J S Beastall

J S BEASTALL
Treasury Officer of Accounts

THE PAC AND MATTERS OF POLICY

1. An Accounting officer should be prepared to say what he has done to fulfil his duties under the Memorandum to ensure that all relevant financial considerations are taken into account in the consideration of policy proposals and where necessary brought to Ministers' attention (paragraph 7(e) of the Memorandum); and that appropriate advice is tendered to Ministers on all matters of financial propriety and regularity and as to all consideration of prudent and economical administration, efficiency and effectiveness (paragraph 12).
2. An Accounting Officer should be ready to inform the Committee about relevant factual information which the department has provided to the Minister in the context of a policy decision, including any background material and assumptions necessary for an understanding of the information. The amount of such information which it is necessary for Ministers to have is of course a matter of judgement. It may not be appropriate to disclose the options which were considered by Ministers and the Accounting Officer should not disclose the recommendations made by the department.
3. The Accounting Officer should not be reluctant to explain the reasons for a decision merely because it has been taken by Ministers, but should do so, if asked, in terms which reflect the Minister's position. Where a decision has been announced, the Accounting Officer should be prepared to repeat any public justification of it. Where the decision has been implemented but not announced, the Accounting Officer will often be able to explain it, having consulted the Minister beforehand in appropriate circumstances. In some cases, however, the reasons may not be clear, in which case the Accounting Officer is entitled to refuse to speculate about them; or Ministers may have decided that their disclosure would not be in the public interest, in which case the Accounting Officer has no authority to speak on the matter except to say that Ministers have so decided. In order to protect the collective responsibility of Ministers the Accounting Officer should not give information about the machinery by which the decision was taken.
4. The Accounting Officer should be prepared to explain the objectives of any expenditure programme for which he is accountable.

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